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## Media Release

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### **Attorney General's Office Joins Nationwide Settlement Over Hollywood Video Debt Collection**

*Nearly 4,000 Delaware customers receive protections against inappropriate collection practices*

**Wilmington** – Attorney General Beau Biden announced that his office, along with 49 other states and the District of Columbia, has reached a settlement resolving allegations of unfair debt collection practices for Hollywood Video and Movie Gallery customer accounts.

“Our agreement provides immediate protections to thousands of Delawareans who may have been harmed by the debt collection practices for Hollywood Video accounts,” Attorney General Biden said. “We’re ensuring that these debts are collected in a fair manner and that Hollywood Video customers have the opportunity to dispute a claim before it affects their good credit.”

Hollywood Video had video rental stores in all 50 states, including 16 outlets in Delaware with a total state membership of 161,148. It filed for bankruptcy in 2010 and its account receivables were assigned to National Credit Solutions (NCS), a debt collection company. After NCS took over, consumers in multiple states filed complaints about NCS’s collection practices. Specifically, consumers complained that NCS reported negative credit information to consumer credit bureaus without providing customers advance notice or the opportunity to challenge the debt. Many customers first discovered the claimed debt due to a denied credit application or a reduced credit card limit after their credit was already negatively affected by NCS reporting.

In the agreement, the bankruptcy trustee will provide Hollywood Video customers immediate relief by:

- Canceling all previously submitted credit reports
- Not submitting any future credit reports
- Not charging collection fees or interest on principal amounts that consumers owe
- Not charging double for late fees

- Protecting consumers from future abusive practices in collection of the accounts

The settlement directly affects approximately 3.3 million total consumers in all 50 states and District of Columbia, including 3,975 Delaware consumers that have been identified as owing a debt to Hollywood Video.

Delaware consumers who have questions about how this settlement affects them are urged to contact the Attorney General's Consumer Hotline at 1-800-220-5424.

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